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CENTRAL INTELLIGENCE GROUP
INTELLIGENCE REPORT

CONFIDENTIAL

COUNTRY Austria/Hungary

DATE:

SUBJECT Food Industry Section of Administration
of Soviet Property In Austria (USIA)
25X1

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SUPPLEMENT

ORIGIN

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1. In October 1947, two Yashitrons truck convoys transported from the Soviet warehouse, Lager Weiss, in Vienna, to Budapest, a shipment amounting altogether to 4,000 packages of baking soda, six tons of calcinated soda, and two tons of caustic soda. This shipment was addressed to USIA, reported to be the Hungarian equivalent of USIA; however, the shipment, the items were diverted to the Budapest black market where they were traded against fats for soap manufacture. Fat procurement was entrusted to the Glasner (sic) firm in Budapest, which is said to get larger shipments of soap from USIA in return.

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2. Although the details of the findings of the Soviet inspection commission (October 1947) are not known since the inspectors objected to special monthly allotments to the employees of vodka, pudding powder, etc., this supplementary ration has since been discontinued.
3. During the second two weeks in October 1947, a total of 45,000 liters of vodka were sold on the open Austrian market through the Weiss warehouse. It was rumored at the time that the Soviet-administered Wolftrum distillery was so full that it was impossible to store further quantities of alcohol there. The vodka was sold for 60 schillings per liter by the barrel and 65 schillings per liter by the bottle, not counting an additional 2-schilling charge for the bottles. The Buying and Selling Division of the Food Industry Section of USIA received 2,800,000 schillings from the sale; this sum was deposited in the Soviet Military Bank in Starkenberggasse.

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4. On 8 October 1947, USIA began to deliver to Austrian wholesalers for distribution under the ration system, long overdue sugar from the Brucker Zuckerfabrik at 1626.3 schillings per ton. Although 1120 tons were scheduled for delivery, after 844 tons had reached the Austrian market, USIA ordered that no more be removed from the Bruck refinery. It was rumored at the time that the reason for halting deliveries was that only 240 tons remained in the warehouse; USIA wished to retain this for its own purposes. In the course of the same month, 7 tons were delivered to

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CLASSIFICATION

This document is hereby regraded to CONFIDENTIAL in accordance with the letter of 18 October 1978 from the Director of Central Intelligence to the [redacted] United States, [redacted] Next [redacted]

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Document No. 011

NO CHANGE in Class. ☐

DECLASSIFIED

Class. CHANGED TO: TS

DDA Memo, 4 Apr 77

Auth: DDA REG. 77-17

Date: 1 MAY 1978 By

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the Soviet-administered Gorker firm - which receives no allotment from the Austrian Zuckerverband - at 3,750 schillings per ton, or more than double the legal price demanded of Austrian merchants. Although this is the price USIA has customarily been asking for granulated sugar from its private customers who do not receive allotments from the Austrian Government under the ration system, it indicates that USIA is utilizing its monopolistic position to exploit the firms under its control.)

5. The following is the organization of the Food Industry Section of USIA as of 1 September 1947. () Comments: All spellings are phonetic.)

Chief: Lieutenant Colonel Pavlovsky, Russian

Deputy: Major Bondar, Russian

Secretary: Zubtsov, Russian

Interpreters: Hanslicek, Austrian emigrant who spent several years in the USSR and is married to a Soviet woman.
Viktor Milovanov, Russian

a. Bookkeeping Department

Chief: Ablokhin, Russian

Deputy: Tsarnalotov, Russian

b. Commercial Department - Buying and Selling

Chief: Drotedev, Russian

Deputy: Major Korin, Russian

c. Department for Retail Deliveries (Meisse warehouse)

Chief: Lieutenant Colonel Chornavsky, Russian

Interpreter: Yugoslav woman (name unknown)

Clerk: Mrs. Dangler, Austrian

Buyers: Rotter, Austrian who was sent to a concentration camp by the Nazis. After his release in 1945, he worked in the Vienna XXI Labor Office and was subsequently an interpreter with Mercedes-Benz. He speaks English, Russian, and Serbo-Croatian or Slovene.

The second buyer's name is not known.

d. Department for Planning and Production

Chief: Capt. Panchenko, Russian

Deputy: Britman, Russian

Assistants: First Lieutenant Kron, Russian

Engineer Rottenstein, Austrian Communist who lived for a time in the USSR. His duties are

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- (1) to ascertain the citizenship of former owners of food enterprises now under Soviet control;
- (2) to collect exact information on the distribution of the stock shares of these firms;
- (3) to obtain Handelsregister entries;
- (4) to act as member of the control commission for Soviet-administered food firms.

a. Personnel Department

Chief: Davidkov, Russian

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